

2 May 1973

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NOTE TO ED --

SUBJECT: King's Memo on NIS Reorganization

King's memo presents all the alternatives from leave the program alone to abolish it.

King's option is C (1). An NIS with several chapters dropped

OBI would assume responsibility for the Government and Politics chapter and the Economy chapter (this would be done on contract). Dick Lehman points out that this option would duplicate the efforts in OCI.

Lehman's option is Option D--abolish the NIS and have an expanded handbook program. The Fact Book would be abolished.

King says that Lehman vastly underestimates the manpower required to do this program.

The problem with abolishing the NIS program is that it would undoubtedly compel other members of the community to launch their own basic research programs. We would probably end up in community terms in having a much more costly and wasteful program.

My choice would be to go along with some variant of Option B which drops some of the chapters

What-  
ever the option, I would think that we could still contract the Economic chapters and relieve OER of this responsibility. is not enthusiastic about this, but I think he would accept it.

paul

(Cont'd)

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DATE: 3 May 1973

TO: Ed

FROM: Gene

SUBJECT: NIS Program

REMARKS:

You have not asked for my views on Jack King's study--so this is a "free-be."

I have attached [ ] MOR which he did at my request. I support his recommendations with regard to Option C(1) and eliminating the OCI Handbook, and further recommend that the savings in DD/I positions [ ] be applied to the Production Offices share of the FY 74 cut. The assumption here is that the NIS--basic intelligence --is less vital to US policy formulation or implementation than our "front-line" production programs.

If you approve this recommendation, we will use the NIS reduction as one of the base lines for our recommendations to you on the FY 74 reductions.

*Gene*

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2 May 1973

## MEMORANDUM FOR THE RECORD

SUBJECT : National Intelligence Survey Program

REFERENCE: Director, OBGi Memorandum of 27 April  
1973, Same Subject

1. The referenced study of the NIS Program presents 7 options (see ref, Tab H), but no recommended course of action.

2. Two of the options, as I see it, can be immediately rejected: Option A--no change and Option E--abolish the Program. While we have to face up to the need for substantial cutbacks, I believe the Program is worth saving as long as we tailor it to our current needs and resource capabilities.

(abolish NIS-- substitute OCI Handbook)

3. Option D raises the question whether our need for basic intelligence can be satisfied unilaterally by this Agency with the OCI Handbook as the vehicle rather than the NIS. Presently the Handbook is in part a byproduct of the NIS effort in OCI. It is intended by OCI to keep these Handbooks up to date, but as a practical matter current intelligence demands are apt to interfere with achieving this goal. Obviously, there is some duplication of effort involved in producing both General Surveys and Handbooks, and clearly one of these efforts should be dropped. From the standpoint of community acceptance of the product, the Handbook can hardly compete with the General Survey, which has in fact been tailored to community needs and is generally more complete. While Option D might be appealing in terms of the few resources estimated to be required [redacted] it hardly represents a very satisfactory solution.

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4. Consolidating our NIS-producing resources in one Office, however, makes good sense. The present process involving the preparation of contributions in OCI, OER, OBGi, and OSI with edit, review, and coordination every step of the way tends to be inefficient, wasteful of resources, and painfully slow. Options which would preserve this complicated process, even at a reduced level--Options B(1) and B(2)--ought to be avoided, in my view.

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5. The referenced study does present some concrete methods for cutting back NIS production without emasculating the Program. Under Option C(1), for example, General Survey coverage would be cut

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7. In line with consolidating all of our NIS resources, it might seem on the surface to be desirable to get away from using external contractors and to do all of this work in-house at a somewhat lower cost per man-year. But in this case, our experience with external contractors has been quite favorable. The Program Director feels that there are net advantages in contracting for certain sections to be done outside,

[REDACTED]

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This limited and selective approach to contracting for NIS contributions seems reasonable in light of other demands placed upon our analytical resources.

8. Recommendations. All things considered, Option C(1) seems to be the best solution. It would consolidate our NIS resources and provide more centralized and efficient management of this production effort in a single Office. Coverage would be reduced to an acceptable level, with more frequent updating of high-priority countries.

[REDACTED]

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Additional savings might be realized by the elimination of the OCI Handbook, thereby making more analytical capability available for in-depth political research. In the event that even more severe cuts are required, we would have to fall back on Option C(2), which would seriously diminish the effectiveness of the program, but which would probably still be preferable to the Handbook approach.

[REDACTED]

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Memorandum for: E W F  
P V W

my choice is  
Option C (i).

Lehman's choice  
seems to be Option D.  
It is a non-starter.

Director,

OK

Basic and Geographic Intelligence

21 Apr 13

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